

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2006

(In Thousands)

	STATE EMPLOYEES' DEFERRED COMPENSATION FUNDS	LEGISLATIVE RETIREMENT FUND	STATE POLICE RETIREMENT FUND
<b>ADDITIONS</b>			
Contributions:			
From participants	\$ 176,444	\$ 202	\$ 1,507
From employers	-	3,340	51,125
From other plans	5,675	-	-
From other governmental	-	-	-
Investment Income:			
Net appreciation (depreciation) in fair value of investments	155,366	7,279	113,989
Interest, dividends, and other	129,155	5,607	27,977
Securities lending income	-	-	4,389
Less Investment Expense:			
Investment activity expense	-	586	1,565
Securities lending expense	-	-	4,224
Net investment income (loss)	<u>284,521</u>	<u>12,300</u>	<u>140,566</u>
Miscellaneous income	<u>1,127</u>	<u>1,661</u>	<u>4</u>
Total Additions	<u>467,768</u>	<u>17,502</u>	<u>193,202</u>
<b>DEDUCTIONS</b>			
Benefits paid to participants or beneficiaries	221,225	9,122	82,317
Medical, dental, and life insurance for retirants	-	4,446	29,493
Refunds and transfers to other systems	214	5	143
Administrative expense	6,368	331	343
Transfers to other funds	<u>-</u>	<u>-</u>	<u>1</u>
Total Deductions	<u>227,807</u>	<u>13,904</u>	<u>112,296</u>
Net increase (decrease)	239,961	3,598	80,906
Net assets held in trust for pension, postemployment health-care, and deferred compensation benefits - Beginning of fiscal year	<u>3,528,696</u>	<u>179,922</u>	<u>1,123,341</u>
Net assets held in trust for pension, postemployment health-care, and deferred compensation benefits - End of fiscal year	<u>\$ 3,768,657</u>	<u>\$ 183,520</u>	<u>\$ 1,204,248</u>
Reconciliation of Net Increase in Assets:			
Net increase (decrease) in assets held in trust for pension benefits	\$ -	\$ 2,107	\$ 84,119
Net increase (decrease) in assets held in trust for postemployment benefits	-	1,491	(3,213)
Net increase (decrease) in assets held in trust for deferred compensation participants	<u>239,961</u>	<u>-</u>	<u>-</u>
Total net increase (decrease)	<u>\$ 239,961</u>	<u>\$ 3,598</u>	<u>\$ 80,906</u>

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FISCAL YEAR ENDED SEPTEMBER 30, 2006

(In Thousands)

	STATE EMPLOYEES' RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND	TOTALS
<b>ADDITIONS</b>					
Contributions:					
From participants	\$ 20,962	\$ 590,413	\$ 2,536	\$ 25,163	\$ 817,227
From employers	627,379	1,682,862	-	68,951	2,433,658
From other plans	123	3	-	2	5,803
From other governmental	-	65	-	-	65
Investment Income:					
Net appreciation (depreciation) in fair value of investments	1,012,259	4,016,811	27,241	34,368	5,367,313
Interest, dividends, and other	254,069	1,001,019	7,491	19,662	1,444,980
Securities lending income	39,746	156,767	1,141	-	202,043
Less Investment Expense:					
Investment activity expense	13,543	55,108	321	-	71,124
Securities lending expense	38,254	150,872	1,099	-	194,449
Net investment income (loss)	1,254,277	4,968,618	34,453	54,029	6,748,764
Miscellaneous income	106	469	869	272	4,509
Total Additions	1,902,848	7,242,430	37,858	148,418	10,010,026
<b>DEDUCTIONS</b>					
Benefits paid to participants or beneficiaries	767,001	2,761,292	17,953	26,226	3,885,135
Medical, dental, and life insurance for retirants	362,598	634,812	597	-	1,031,945
Refunds and transfers to other systems	254	23,946	-	22	24,584
Administrative expense	4,628	81,961	170	1,666	95,466
Transfers to other funds	3	123	-	-	126
Total Deductions	1,134,483	3,502,134	18,720	27,914	5,037,257
Net increase (decrease)	768,365	3,740,296	19,138	120,505	4,972,770
Net assets held in trust for pension, postemployment health-care and deferred compensation benefits - Beginning of fiscal year	10,181,615	39,885,324	284,076	619,103	55,802,077
Net assets held in trust for pension, postemployment health-care and deferred compensation benefits - End of fiscal year	\$ 10,949,980	\$ 43,625,620	\$ 303,214	\$ 739,607	\$ 60,774,847
<b>Reconciliation of Net Increase in Assets:</b>					
Net increase (decrease) in assets held in trust for pension benefits	\$ 757,100	\$ 3,633,957	\$ 19,002	\$ 120,505	\$ 4,616,789
Net increase (decrease) in assets held in trust for postemployment benefits	11,265	106,339	136	-	116,020
Net increase (decrease) in assets held in trust for deferred compensation participants	-	-	-	-	239,961
Total net increase (decrease)	\$ 768,365	\$ 3,740,296	\$ 19,138	\$ 120,505	\$ 4,972,770